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S E C R E T SECTION 01 OF 02 SHANGHAI 000655

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SUBJECT: (C) NANJING ACADEMIC'S SUGGESTIONS FOR BACKCHANNELS TO  
CHINA'S LEADERSHIP

REF: A) OSC CPP20070108332001; B) OSC CPP20070918050002; C) SHANGHAI 400; D) SHANGHAI 642  
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CLASSIFIED BY: Kenneth Jarrett, Consul General, U.S. Consulate  
General, Shanghai, Department of State.  
REASON: 1.4 (b), (c), (d)

¶1. (S) Summary: During a September 28 discussion, Nanjing University Professor Gu Su (strictly protect) gave his assessment of who might make good "back-door" conduits for U.S. officials to pass information to more senior leaders. Gu believes that former President Jiang Zemin's eldest son has outlived his utility as a backchannel because of numerous corruption allegations and his father's diminishing influence. Instead, Gu suggested: Central Editing and Translation Bureau (CETB) Deputy Director Yu Keping, a liberal scholar close to President Hu Jintao; Director of the Party's Central Secrets Bureau Xia Yong, Hu's legal advisor; Deputy Director of the China Securities Regulatory Commission Gao Xiqing; and the State Council Secretary General, whom Gu described as being particularly close to Premier Wen Jiabao. (Comment: Gu did not provide the name of the State Council Secretary General; organizational charts show that he is State Councilor Hua Jianmin. End comment.) Gu also suggests we establish relationships with people close to Jiangsu Party Secretary Li Yuanchao and Shanghai Party Secretary Xi Jinping, especially the heads of their General Offices. End summary.

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Jiang Mianheng: Diminishing Utility  
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¶2. (S) Professor Gu does not believe that former President Jiang Zemin's elder son, Chinese Academy of Sciences Vice President Jiang Mianheng, is an effective backchannel any longer to current senior Chinese leaders. First, Jiang Mianheng has many ties to corrupt officials and to charges of corruption himself. Second, Jiang Zemin's personal influence is waning. Gu said that the elder Jiang son was on the proposed name list for Shanghai's National Party Congress delegation, but two or three months ago was removed. "Senior leaders" in Beijing--Gu speculated that they are tied closely to President Hu Jintao--told Shanghai Party Secretary Xi Jinping that Jiang Mianheng is "not qualified" to serve as a representative.

¶3. (S) Jiang Mianheng's utility as a conduit for passing

messages to the senior leadership depends largely on his father's political position. Gu said that Jiang Zemin's influence was greatly diminished in recent months and anticipates that it will decline further after the 17th Party Congress. This would only further weaken Jiang Mianheng's influence.

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Yu Keping: An Open-Minded Scholar Connected to Hu  
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14. (S) Gu believes that an effective backchannel to President Hu Jintao is Central Editing and Translation Bureau (CETB) Deputy Director Yu Keping, author of the controversial article and book of the same title "Democracy is a Good Thing" (Refs A and B). Gu said Yu is "one of Hu's most open-minded advisors." Given Yu's more "liberal" bent, Hu, at times, finds it necessary to distance himself publicly from Yu, to avoid criticism from Party leftists. However, Gu thinks that Yu, in fact, remains a trusted advisor who has Hu's ear, even if Hu does not always tack in the directions Yu suggests. Yu speaks English well, although not completely fluently, according to Gu. He spent a year in the United States as a visiting scholar and lived in Britain for an additional six months. (Ref C).

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Xia Yong: Hu's Legal Advisor  
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15. (S) Another scholar/official close to Hu, albeit not easily accessible to U.S. officials, is Xia Yong, Director of the Party's Central Secrets Bureau (Zhongyang Baomi Ju) (Ref C). Xia was the head of the Chinese Academy of Social Sciences Law Institute before Hu hand-picked him to head the Secrets Bureau. Gu described Xia's current position as "very important" despite the relative obscurity of his office. Xia is responsible for the Bureau that decides which current party documents are

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releasable to the public, which must be classified and at what level, and which older documents should be declassified and released. For instance, Xia's office, from time to time, releases Mao Zedong and Deng Xiaoping era documents to researchers and the public.

16. (S) Gu described Xia as Hu's "legal advisor." Xia spent two years in the United States at Harvard University between 1996-1998. In 1996, Xia studied law as a visiting scholar and had an office next door to Gu, who was a visiting scholar at Harvard Law School for part of that period. Xia's second year was spent studying human rights at Harvard's Kennedy School of Government. Gu sees Xia as "not so open-minded" as Yu but acknowledges that Xia has a solid understanding of the U.S. legal structure and system.

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Gao Xiqing: Point Man on the Financial Markets  
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17. (S) Another possible conduit for U.S. officials, Gu said, is Gao Xiqing, Deputy Director of the China Securities Regulatory Commission and Vice Chairman of the National Council for Social Security Fund. According to Gu, Gao was personally responsible for drafting all of the new laws governing the stock market and was named in September of this year as a director of the new China Foreign Investment Company headed by former Vice Minister of Finance Lou Jiwei. This new company is charged with investing overseas tens of billions of dollars of China's enormous foreign exchange reserves. Gao studied at Duke University. (Note: Gu regarded Gao as a highly influential official but did not specify whether Gao is closer to President Hu or Premier Wen or has equal access to both. End note.)

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Wen's People  
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17. (S) Gu added that many of the people close to Premier Wen

Jiabao would also be good backchannels, since Wen has more "open-minded" advisors than Hu. For instance, the current State Council Secretary General is particularly close to Wen and may be accessible to U.S. officials under the right circumstances. In addition, the State Council Secretary General attends a number of conferences and meetings in China with international participants, including press conferences on the margins of the annual meeting of the National People's Congress. (Note: Gu could not recall the Secretary General's name. Organizational charts show that the State Council Secretary General is State Councilor Hua Jianmin. End note.)

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Members of the Jiangsu, Shanghai, and Zhejiang Retinues  
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18. (S) Aside from the above, Gu also suggests that U.S. officials establish relations with persons who are close to Shanghai Party Secretary Xi Jinping and Jiangsu Provincial Party Secretary Li Yuanchao. In particular, Gu believes that the

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heads of their General Offices (or in other words, their chiefs of staff) would be good conduits. In Xi's case, Gu said there are many people still in Zhejiang Province who worked closely with Xi (he transferred to the Shanghai Party Secretary position in March 2007) but whom Xi has not yet had the opportunity to promote or transfer to Shanghai. These former Zhejiang subordinates and newer colleagues in Shanghai may become particularly important in the future, especially if, as Gu believes, Xi becomes one of the candidates on the Politburo Standing Committee to succeed Hu Jintao as Party Secretary General in 2012 (Ref D). Gu also believes that Jiangsu Secretary Li Yuanchao remains in the running for higher central

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positions after the 17th Party Congress in mid-October.

19. (S) Gu believes that if Xi and Li move to central positions in Beijing, it would take at least another two years for them to move their trusted advisors to influential posts at the center. Gu believes Xi and Li would bring an open-minded attitude towards the United States. Gu described Xi's father as the most "open-minded" leader under Deng Xiaoping and someone who had opposed Deng's criticism of former Party Secretary Hu Yaobang. Because of those stances by the elder Xi, many Party liberals and intellectuals are favorably disposed towards Xi Jinping.  
JARRETT